



[Billing Code 3290-F8]

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Docket Number USTR-2017-0004

Generalized System of Preferences (GSP): Notice of Revisions to the 2017/2018

Annual GSP Product and Country Practices Review; Deadline for Filing Petitions;

GSP Renewal and Technical Modifications

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of procedures for submission of petitions from the public.

SUMMARY: The Office of the United States Trade Representative (USTR) will consider petitions to modify the GSP status of GSP beneficiary countries because of country practices; add products to GSP eligibility; remove products from GSP eligibility for one or more countries; waive competitive need limitations (CNLs); deny *de minimis* waivers for products eligible for *de minimis* waivers; and redesignate currently excluded products. This review will include separate hearings on product petitions and country eligibility reviews, which will be announced in the Federal Register at a later date.

DATES: To be considered in the 2017/2018 Annual GSP Review, USTR must receive your petition by Monday, April 16, 2018 at midnight EST. This is the deadline for petitions to modify the GSP status of GSP beneficiary developing countries because of country practices; petitions requesting waivers of CNLs; petitions on GSP product eligibility additions and removals; petitions to deny *de minimis* waivers; or petitions to redesignate an excluded product.

USTR will not consider petitions submitted after the April 16, 2018 deadline. USTR will announce decisions on which petitions are accepted for review, along with a schedule for any related public hearings and the opportunity for the public to provide comments, at a later date.

ADDRESSES: USTR strongly prefers electronic submissions made through the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments in section III below. The docket number is USTR-2017-0004. For alternatives to on-line submissions, please contact Yvonne Jamison at (202) 395-9666.

FOR FURTHER INFORMATION CONTACT: Erland Herfindahl at (202) 395-6364 or gsp@ustr.eop.gov.

SUPPLEMENTARY INFORMATION:

I. Background

The GSP program provides for the duty-free treatment of designated articles when imported from beneficiary developing countries. The GSP program is authorized by Title V of the Trade Act of 1974, as amended (Trade Act) (19 U.S.C. 2461 *et seq*), and is implemented in accordance with Executive Order 11888 of November 24, 1975, as modified by subsequent Executive Orders and Presidential Proclamations.

The 2017 GSP Annual Product Review: The Interim Import Statistics Relating to Competitive Need Limitations is posted on the USTR website at

<https://ustr.gov/issue-areas/preference-programs/generalized-system-preferences-gsp/current-reviews/gsp-2017-review>. These statistics include three lists:

List I identifies GSP-eligible articles from beneficiary developing countries (BDCs) that exceeded a CNL by having been imported into the United States in 2017 in excess of \$180 million, or in a quantity equal to or greater than 50 percent of the total U.S. import value for this product in 2017. Unless the President grants a waiver in response to a petition filed by an interested party, these products will be removed from GSP eligibility on November 1, 2018.

List II identifies GSP-eligible articles from BDCs that are above the 50 percent CNL but that are eligible for a *de minimis* waiver. Petitions are not necessary for these products to be considered for *de minimis* waivers. As described below, petitions only will be accepted in opposition to potential *de minimis* waivers for these products.

List III identifies GSP-eligible articles from certain BDCs that currently are not receiving GSP duty-free treatment but may be considered for GSP redesignation in response to a petition filed by an interested party. Note that products exceeding 50 percent of imports may be considered for redesignation if there was no U.S. production in the last three years.

II. 2017/2018 Annual GSP Review

A. GSP Product and Beneficiary Country Review Petitions

Certain GSP Product Addition and Removal Petitions were submitted for review in 2017, as were petitions to modify the GSP status of GSP beneficiary developing countries because of country practices. Due to the lapse in authorization of GSP, and a

resulting change in the schedule for the annual GSP review, USTR is reopening the window for submitting GSP product and country petitions. Any petitions previously submitted for this review do not need to be resubmitted.

B. Changes Resulting from Recent Legislation

The Consolidated Appropriations Act of 2018 (P.L. 115-141) reauthorized the GSP program and made a number of modifications. First, the GSP program is authorized through December 31, 2020, retroactive to January 1, 2018 (see the USTR GSP website at <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp> for details on retroactive authorization, effective date of authorization, and refund procedures). Second, P.L. 115-141 established a new timeline for the GSP review: the date for exclusion of items exceeding CNLs changed from July 1 to November 1. Third, with respect to the date for determining whether a product is not produced in the United States, P.L. 115-141 changed the date so that instead of requiring that the product not have been produced in the United States on January 1, 1995, the product must not have been produced in the United States “in any of the preceding three calendar years.” For the 2017/2018 Annual Review this means calendar years 2015 to 2017. Interested parties filing CNL waiver petitions and redesignation petitions should indicate whether there was production of a like or directly competitive product in the United States during the previous three calendar years (that is, 2015 to 2017).

C. Country Practice Review Petitions

An interested party may submit a petition to review the GSP eligibility of any beneficiary developing country with respect to any of the designation criteria listed in sections 502(b) and 502(c) of the Trade Act (19 U.S.C. 2462(b) and (c)).

D. GSP Product Review Petitions

An interested party, including foreign governments, may submit the following petitions:

- *Product Addition Petitions:* Petitions to designate additional articles as eligible for GSP benefits, including to designate articles as eligible only if the articles are imported from countries designated as least-developed beneficiary developing countries, or as beneficiary sub-Saharan African countries under the African Growth and Opportunity Act (AGOA). Petitioners seeking to add products to eligibility for GSP benefits should note that, as provided in section 503(b) of the Trade Act (19 U.S.C. 2463(b)), certain articles may not be designated as eligible articles under GSP.
- *Product Withdrawal Petitions:* Petitions to withdraw, suspend or limit the application of duty-free treatment accorded under the GSP with respect to any article.
- *Competitive Need Limitation Waiver Petitions:* Any interested party may submit a petition seeking a waiver of the 2018 CNL for individual beneficiary developing countries with respect to specific GSP-eligible articles (these limits, however, do not apply to least-developed beneficiary developing countries or AGOA beneficiary countries). As noted above, petitions should indicate whether there was production of a like or directly competitive product in the United States during the previous three

calendar years (that is, 2015 to 2015).

- *Petitions for Denial of De Minimis Waivers:* Interested parties filing petitions for denial of *de minimis* waivers should note the procedural changes outlined in paragraph E below.
- *Petitions for Redesignation:* Interested parties filing petitions for redesignation should note the procedural changes outlined in paragraph E below.

E. Notice of Procedural Change

The GSP program is changing the petition process procedures for products eligible for a *de minimis* waiver and products eligible for redesignation.

Previously, USTR only accepted comments on *de minimis* and redesignation products. Under the new procedures, USTR now will accept petitions to deny *de minimis* waivers, and petitions to grant redesignation. This includes possible redesignation of products for which imports are below the dollar value CNL (\$180 million for 2017), but for which imports exceed 50 percent, in the event that a petitioner believes that there has been no production in the United States. As noted above, the petitioner should indicate whether there was production of a like or directly competitive product in the United States during the previous three calendar years (that is, 2015 to 2017). Consistent with the criteria in section 503 of the Trade Act (19 U.S.C. 2463(c)(2)(C)), the President previously has granted redesignation requests in only a **limited** number of circumstances. USTR anticipates this customary practice to continue and will prioritize redesignations of products that do not compete with U.S. production.

The primary distinction between the previous and the new petition process is that accepted petitions on these topics now will be included in the advice provided by the United States International Trade Commission as required by section 503 of the Trade Act (19 U.S.C. 2463).

III. Requirements for Submissions

A. General Requirements

All submissions for the GSP Annual Review must conform to the GSP regulations set forth at 15 CFR part 2007, except as modified below. These regulations are available on the USTR website at <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp/gsp-program-inf>.

All submissions in response to this notice must be in English and must be submitted electronically via <http://www.regulations.gov>, using docket number USTR-2017-0014. USTR will not accept hand-delivered submissions. Submissions that do not provide the information required by sections 2007.0 and 2007.1 of the GSP regulations will not be accepted for review, except upon a detailed showing in the submission that the petitioner made a good faith effort to obtain the information required.

To make a submission via <http://www.regulations.gov>, enter the docket number for this review – USTR-2017-0014 – in the “Search for” field on the home page and click “Search.” The site will provide a search-results page listing all documents associated with this docket. Find a reference to this notice by selecting “Notice” under “Document Type” in the “Filter Results by” section on the left side of the screen and click on the link entitled “Comment Now.” For further information on using the

<http://www.regulations.gov> website, please consult the resources provided on the Web site by clicking on “How to Use This Site” on the left side of the home page. The <http://www.regulations.gov> website allows users to provide comments by filling in a “Type Comment” field or by attaching a document using the “Upload file(s)” field. USTR prefers that submissions be provided in an attached document.

Submissions must include, at the beginning of the submission, or on the first page (if an attachment), the following text (in **bold** and underlined): (1) “2018/2017 GSP Annual Review”; and (2) the eight-digit HTSUS subheading number in which the product is classified (for product petitions) or the name of the country (for country practice petitions). Furthermore, interested parties submitting petitions that request action with respect to specific products also should list at the beginning of the submission, or on the first page (if an attachment) the following information: (1) the requested action; and (2) if applicable, the beneficiary developing country. Submissions should not exceed 30 single-spaced, standard letter-size pages in 12-point type, including attachments. Any data attachments to the submission should be included in the same file as the submission itself, and not as separate files.

Each submitter will receive a submission tracking number upon completion of the submissions procedure at <http://www.regulations.gov>. The tracking number will be the submitter’s confirmation that the submission was received into <http://www.regulations.gov>. The confirmation should be kept for the submitter’s records. USTR is not responsible for any delays in a submission due

to technical difficulties, nor is it able to provide any technical assistance for the <http://www.regulations.gov> website. Documents not submitted in accordance with these instructions may not be considered in this review. If an interested party is unable to provide submissions as requested, please contact Yvonne Jamison at (202) 395-9666 to arrange for an alternative method of transmission.

B. Business Confidential Petitions

An interested party requesting that information contained in a submission be treated as business confidential information must certify that the information is business confidential and would not customarily be released to the public by the submitter. Confidential business information must be clearly designated as such. The submission must be marked “BUSINESS CONFIDENTIAL” at the top and bottom of the cover page and each succeeding page, and the submission should indicate, via brackets, the specific information that is confidential. Additionally, “Business Confidential” must be included in the “Type Comment” field. For any submission containing business confidential information, a non-confidential version must be submitted separately (*i.e.*, not as part of the same submission with the confidential version), indicating where confidential information has been redacted. The non-confidential version will be placed in the docket and open to public inspection.

Business confidential submissions that are submitted without the required markings, or are not accompanied by a properly marked non-confidential version, as set forth above, might not be accepted or may be considered public documents.

C. Public Viewing of Review Submissions

Submissions in response to this notice, except for information granted “business confidential” status under 15 CFR part 2003.6, will be available for public viewing pursuant to 15 CFR part 2007.6 at <http://www.regulations.gov> upon completion of processing. You can view submissions by entering the docket number USTR-2017-0014 in the search field at <http://www.regulations.gov>.

Erland Herfindahl

Deputy Assistant U.S. Trade Representative for the Generalized System of Preferences
Office of the U.S. Trade Representative.

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